

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 788

Short Title: Amend Constitution Re: Use of Lottery Funds. (Public)

Sponsors: Representative L. Hall (Primary Sponsor).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Appropriations, if favorable, Judiciary I.

April 15, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE CONSTITUTION TO GUARANTEE THAT LOTTERY FUNDS
3 ARE USED TO SUPPLEMENT AND NOT SUPPLANT OTHER FUNDING FOR
4 PUBLIC EDUCATIONAL PURPOSES.

5 The General Assembly of North Carolina enacts:

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7 **PART I. CONSTITUTIONAL AMENDMENT**

8 **SECTION 1.(a)** Article V of the Constitution of North Carolina is amended by
9 adding a new section to read:

10 **"Sec. 15. Use of Lottery Funds.**

11 The net proceeds of any lottery operated by the State shall be used only for public
12 educational purposes and shall be used to supplement and not supplant other funds from any
13 source appropriated for those public educational purposes. The power of the Governor under
14 Article III, Section 5, of the Constitution, to reduce expenditures shall not be exercised as to the
15 net proceeds of the lottery and does not allow those funds to be diverted to other purposes."

16 **SECTION 1.(b)** The amendment set out in subsection (a) of this section shall be
17 submitted to the qualified voters of the State at the general election in November 2016, which
18 election shall be conducted under the laws then governing elections in the State. Ballots, voting
19 systems, or both may be used in accordance with Chapter 163 of the General Statutes. The
20 question to be used in the voting systems and ballots shall be:

21 "[] FOR [] AGAINST

22 A constitutional amendment providing that the net proceeds of any lottery operated by the
23 State shall be used only for public educational purposes and shall be used to supplement and
24 not supplant other funds from any source appropriated for those public educational purposes.
25

26 **PART II. CONFORMING CHANGES**

27 **SECTION 2.(a)** G.S. 18C-102 reads as rewritten:

28 **"§ 18C-102. Purpose and intent.**

29 The General Assembly declares that the purpose of this Chapter is to establish a
30 State-operated lottery to generate funds ~~for the public purposes described in this Chapter only~~
31 for public educational purposes."

32 **SECTION 2.(b)** G.S. 18C-164(c) reads as rewritten:

33 "(c) The General Assembly shall appropriate the remaining net revenue of the Education
34 Lottery Fund annually in the Current Operations Appropriations Act for ~~education-related~~
35 purposes, public education purposes only, based upon estimates of lottery net revenue to the



1 Education Lottery Fund provided by the Office of State Budget and Management and the Fiscal
2 Research Division of the Legislative Services Commission. These funds shall be used to
3 supplement and not supplant other funds from any source appropriated for those public
4 educational purposes.

5 A security interest shall not be granted in funds appropriated pursuant to this subsection."
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7 **PART III. EFFECTIVE DATES**

8 **SECTION 3.(a)** If a majority of votes cast on the question are in favor of the
9 amendment set out in Section 1(a) of this act, the State Board of Elections shall certify the
10 amendment to the Secretary of State. The constitutional amendment shall become effective
11 upon such certification. The Secretary of State shall enroll the amendment so certified among
12 the permanent records of that office.

13 **SECTION 3.(b)** Section 2 of this act becomes effective only upon approval by the
14 voters of the constitutional amendment proposed in Section 1 of this act. If the constitutional
15 amendment proposed in Section 1 is approved by the voters, Section 2 of this act becomes
16 effective upon this certification and applies beginning with the 2016-2017 fiscal year.

17 **SECTION 3.(c)** Section 1(b) of this act is effective when this act becomes law.